

WATERFRONTToronto

Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

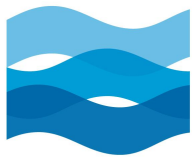
Objective

To update and revise the Procurement Policy.

PROCUREMENT POLICY

TABLE OF CONTENTS:

SECTION	POLICY	PAGE
1.	Policy Objectives	2
2.	General Provisions	2 - 3
3.	Administrative Procedures	4 - 5
4.	Standard Documentation	5
5.	Procedures and Procurement Methodologies <ul style="list-style-type: none">• Choice of Procedure• Procurement Methodologies• Vendor of Record• Evaluation Process	5 - 7
6.	Non-Competitive Procurement – Goods & Services (including Professional Services)	8
7.	Non-Competitive Procurement – Consulting Services	9
8.	Length of Contracts	10
9.	Extensions / Renewals	10
10.	Change Orders	11
11.	Reporting	11



Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

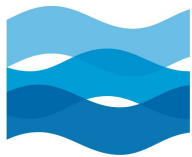
SECTION 1 - POLICY OBJECTIVES

- (1) The Government of Canada, the Province of Ontario and the City of Toronto established the Toronto Waterfront Revitalization Corporation (the “Corporation”) in 2001 to lead and oversee the renewal of Toronto’s waterfront. Given the importance of its mandate, and the fact that it is publicly funded, the conduct of the Corporation’s procurement activities must meet the highest standards of reasonability, be economically achievable and support the Corporation’s overall objectives of fairness, openness, transparency. The Corporation’s procurement activities are intended to both achieve maximum value for the Corporation and its stakeholders, and advance the Corporation’s strategic objectives.
- (2) The objectives of the Corporation’s Procurement Policy are to ensure that:
 - (a) all goods and services are acquired in accordance with approved procurement processes;
 - (b) all goods and services are acquired within authorized budgets;
 - (c) all goods and services are acquired in accordance with applicable Contribution Agreements;
 - (d) the Corporation receives value for money, by obtaining goods and services through a fair and competitive procurement process involving reputable suppliers;
 - (e) evaluation criteria are applied fairly to assess the merits of competitive bids, proposals, quotes and submissions;
 - (f) those seeking contracts for goods and services are required to disclose potential conflicts of interest;
 - (g) senior management and the Board of Directors are appropriately accountable for all material procurement;
 - (h) the entire competitive procurement process is fair, open and transparent.

SECTION 2 - GENERAL PROVISIONS

In all cases, the following applies:

- (1) Departmental Vice-Presidents shall provide overall Supervision throughout the procurement process;
- (2) A standard contract outlining the terms and conditions must be executed prior to the commencement of work.



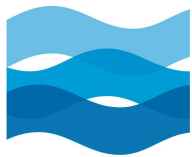
Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

- (3) Subject to the allocation of responsibilities within the Corporation, the Chief Financial Officer and the Director, Procurement shall be responsible for ensuring that these policies and procedures are followed, and that purchasing practices meet the objectives of Section 1.
- (4) *The Discriminatory Business Practices Act, R.S.O. 1990, c. D.12* has been established to prevent discrimination in Ontario on the ground of race, creed, colour, nationality, ancestry, place of origin, sex, or geographical location of persons employed or engaging in business. Therefore, granting preference to local suppliers to supply goods and services to the Corporation cannot be undertaken.
- (5) The Director, Procurement may place a supplier's name on a list of disqualified suppliers for a period of two years on the basis of documented poor performance, non-performance, or conflict of interest. This information may be accumulated from within the Corporation or through reference checks. A written notice of the decision will be provided to the vendor by the Procurement Department. Removal of names from the list will be at the sole discretion of the Corporation.
- (6) All vendors under contract with Waterfront Toronto shall abide by the Waterfront Toronto Procurement Code of Ethics, which can be read on Waterfront Toronto's website, www.waterfronttoronto.ca, under the "Opportunities" tab and "Procurement" sub-tab.
- (7) The Director, Procurement may send invitations for Tenders, Requests for Proposals, Pre-qualification Requests and Expressions of Interest to potential bidders, even if a Vendor of Record has been established, to ensure the best possible response.
- (8) Vendors or potential vendors shall not be requested to expend time, money or effort on design or in developing specifications or otherwise to help define a requirement beyond the normal level of service expected from vendors. When such services are required:
 - (a) Procurement must be advised;
 - (b) the vendor will be considered a consultant or professional service and will not be allowed to make an offer for the supply of the goods and services;
 - (c) a fee shall be paid; and
 - (d) the detailed specification shall become the property of the Corporation and can be used in obtaining competitive bids.
- (9) Where the Corporation is pursuing a claim against a vendor in contract, tort, or negligence or where a vendor is pursuing a similar claim against the Corporation, the vendor shall not be eligible to respond to any quotation, unless the CFO determines that it is in the best interests of the Corporation to permit the vendor to respond.

Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

SECTION 3 - ADMINISTRATIVE PROCEDURES

- (1) The signing thresholds for the procurement of goods and services are set out in the “Signing Threshold Policy.”
- (2) No contract shall be artificially divided into smaller contracts for the sole purpose of avoiding the thresholds as defined in the “Signing Threshold Policy.”
- (3) Procurement shall have the authority to execute and issue all contracts for goods and services, Professional Services, non-standard items, Consulting Services and construction services provided that proper authorization has been obtained as approved in the “Signing Threshold Policy.”
- (4) It will be the responsibility of all employees of the Corporation to ensure that all requirements of this policy are complied with.
- (5) The CEO and CFO shall have the authority to approve additional procedures to this policy, including forms and Procurement Department templates.
- (6) No employee of the Corporation, or Member of the Board, or immediate family member of such persons, may bid on the Corporation’s proposed purchase of goods and services.
- (7) No personal purchases shall be made by the Corporation for Members of the Board or employees of the Corporation unless authorized by the CFO and CEO.
- (8) No employee or Member of the Board shall purchase or offer to purchase, on behalf of the Corporation, any goods or services except in accordance with this policy.
- (9) Completion and approval of the Procurement Request Form / Contract Approval Form / Electronic Financial System approval prior to committing the Corporation is mandatory.
- (10) All responses for Requests for Proposals and Tenders must be evaluated in detail using the standard evaluation template as modified to meet the specific requirements of the Request for Proposals or Tender process. The Evaluation Committee assigned to a procurement process must document the conclusions of the evaluation process.
- (11) The selection of a preferred or successful proponent must be based upon the evaluation criteria set out in the Prequalification Documents, the Request for Proposal or the Tender documents. The Procurement Request Form / Contract Approval Form / Electronic Financial System approval must be completed before any commitment is made to a successful proponent.



Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

- (12) In determining whether a bid or proposal is compliant with the requirements of the quotation documents, the Corporation shall consider the terms and conditions of the Tender and the Request for Proposal documents.
- (13) In all cases, and irrespective of the type of procurement process that is carried out, care must be taken to ensure that the overall procurement objectives of the Corporation are met, that the transaction is documented in accordance with this policy, and that where appropriate the selected proponent accepts the Terms and Conditions as denoted in the Corporation’s contract.
- (14) To ensure the Corporation’s procurement process is fair, open and transparent to all proponents, there shall be no communication between Corporation and the proponents with the exception of the official representative(s) noted in the quotation document. This blackout is for the period of time immediately following the release of the quotation until the final award of the bid. All questions asked by proponents during the course of procurement must be submitted in writing to the official representative and the questions and responses must be circulated to all proponents. Lobbying during the procurement process will not be permitted and may result in the disqualification of the proponent.
- (15) The Corporation is not required to accept the lowest bid and may base its evaluation on both quality and price (as appropriate to the goods or services being purchased) and may adopt a “best value” approach to the evaluation of price.
- (16) Procurement and contract documents should include, where applicable, provisions that permit the re-scoping of a project in the event that prices submitted exceed amounts budgeted for the contract.

SECTION 4 – STANDARD DOCUMENTATION

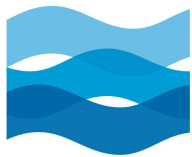
All procurement activities carried out by the Corporation, including procurement activities carried out by Eligible Recipients on behalf of the Corporation, shall be carried out using existing standard procurement documents adopted by the Corporation through its Chief Financial Officer. If an Eligible Recipient has its own procurement documents that meet or exceed the requirements of this Procurement Policy, then the Director, Procurement may approve the use of those documents.

SECTION 5 - PROCEDURES AND PROCUREMENT METHODOLOGIES

5.1 Choice of Procedure

Before any procurement takes place, the issuing department must:

- (1) identify the goods or services to be acquired.



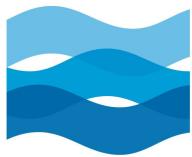
Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

- (2) evaluate the value of the goods or services as defined by the scope of work. For the purposes of estimating, the value means the estimated total financial commitment including contingencies but excluding the value of renewal options. The unrecoverable portion of HST must also be included as part of the budgetary process.
- (3) determine if the project is properly funded. Projects that do not have sufficient funds must be authorized by the CFO and CEO prior to proceeding with the procurement process.

5.2 Procurement Methodologies

For ease of reference, the most common procurement methodologies that the Corporation should use and the appropriate circumstances for use are as follows:

- (1) *Tender* – Used in circumstances where the Corporation has determined a clearly defined scope of the goods or services and the only remaining matter to be resolved is establishing a competitive price. Successful proponents are normally (but not exclusively) chosen based on the price submitted. The evaluation of price can include an evaluation of “best value” rather than simply the lowest price.
- (2) *Request for Proposals* – Typically used when the Corporation wishes to carry out a quality assessment of a service provider or the product or service they provide. In most cases, price is a “weighted” factor but not the determining factor. Request for Proposals are also used where it is not practical to prepare precise specifications, or where alternatives to detailed specifications will be considered, which may be subject to further negotiation. This process allows vendors to propose solutions to arrive at the end product or desired result and allows for evaluation based on predetermined criteria in addition to price.
- (3) *Request for Quotation* - A formal or informal inquiry to determine the price of a specific good or service. The proponent’s response should be submitted in writing.
- (4) *Prequalification Request* – Similar to a formal Request for Proposal but without factoring price. Its purpose is to develop a short list of qualified suppliers/service providers that will subsequently be invited to submit a proposal or tender at the next stage of the procurement process.
- (5) *Request for Expressions of Interest* – Used in circumstances where the Corporation wishes to investigate the marketplace to test the availability of certain types of experts, goods or service. Used mainly as an investigative tool in the initial step in procurement process but in some instances may lead to a prequalification list.
- (6) *ACAN (Advanced Contract Award Notice)* - A federally accepted competition process to award a contract to a pre-identified vendor. A notice of the proposed purchase is publicly posted on MERX for a period of 15 days. If no acceptable response is received, the Corporation is



Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

permitted to award a sole source contract to the identified vendor after receipt of the appropriate management approvals.

- (7) Procurements with an estimated value over \$100,000 must be procured through an open, competitive process.

5.3 Vendor of Record

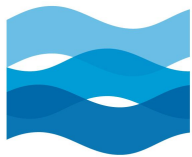
- (1) The purpose of a Vendor of Record is to provide the Corporation with a readily available list of qualified firms. Vendors of Record are established through a publicly let Prequalification Request or Request for Proposals which defines the general parameters of the scope and the length of time the list will be valid. The list will generally (but not always) result in standing offers being established with the chosen vendors.
- (2) The Vendor of Record is not a replacement for a competitive quote; therefore, where possible, quotations for goods or services should be sent to three or more vendors within the list of qualified firms. The proposal with the best value to the Corporation will be issued a release to their standing offer detailing the scope and price.
- (3) The Corporation may either establish its own Vendors of Record for a particular good or service or rely on Vendors of Record lists established by any of its shareholders.

5.4 Evaluation Process

All procurements where price is not the deciding factor must have the criteria (and sub-criteria if necessary) developed for the evaluation process prior to the closing date of the procurement or before any submissions are opened. The criteria will expand the broad categories listed in the quotation document.

Furthermore:

- (1) All meetings are to be arranged by Procurement.
- (2) A Procurement staff member will act as facilitator during all evaluations.
- (3) The evaluation team should consist of three staff members (for larger complex projects a V.P. is also required) from the department accountable for the outcome of the procurement. The composition of the teams will be reviewed by Procurement. Where another department has a great deal of information or a vested interest in the procurement one additional team member can be added. As an example, construction procurements that have a design component should have three Construction Project Managers and one Design Project Manager. To further



Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

complement the evaluation team, additional members may be drawn from any department within the Corporation. There are to be no vendors on the evaluation team unless they are required to act in an advisory capacity to the team. Exceptions to any of the above conditions must be approved by the Director of Procurement.

- (4) The CEO may sit in on any Procurement evaluation as an ex-officio member of that review team. The CEO should not influence the proceedings but may ask questions to seek clarification.

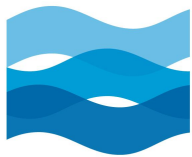
5.5 Bid Dispute Resolution

The bid dispute resolution process is intended to ensure that any dispute is handled in an ethical, fair, reasonable and timely fashion.

This bid dispute resolution procedure complies with bid protest or dispute resolution procedures set out in the applicable trade agreements.

Where a vendor wishes to dispute the outcome of a bid, subsequent to a debriefing with the Procurement department, the process outlined below is to be followed:

- (1) The aggrieved party is to file its bid protest with the Director, Procurement within 15 business days of the debriefing meeting. The aggrieved party's filing should include:
 - The name and address of the vendor
 - Identification of the contract or bid solicitation being protested
 - Detailed and factual statement of the grounds for protest
 - Supporting documentation
 - Desired relief, action or ruling
- (2) The Director, Procurement will respond to the aggrieved party within 10 business days of receiving the bid protest notice.
- (3) If a resolution cannot be achieved, the aggrieved party must contact the Chief Operating Officer and copy the Director, Procurement within 10 business days of receiving the first response from the Director, Procurement.
- (4) The Chiefing Operating Officer will respond to the aggrieved party within 10 business days of receiving the bid protest notice.
- (5) The final decision on the issue will be made by the Chief Operating Officer and will be resolved within 10 business days of receiving the bid protest.

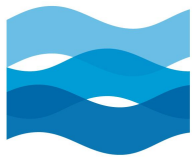


Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

SECTION 6 - NON-COMPETITIVE PROCUREMENT – GOODS AND SERVICES (INCLUDING PROFESSIONAL SERVICES)

Professional Services is defined as any licensed professional service provided by medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, chartered accountants, lawyers and notaries in their regulated capacities.

- (1) In the event of extraordinary circumstances, the Corporation reserves the right to offer a contract for the provision of goods or services to a sole supplier.
- (2) Single source procurements above \$75,000 (Cdn.) are only permitted through the public posting of an ACAN.
- (3) Single source procurements above \$25,000 (Cdn.) shall be permitted only where circumstances prevent competitive purchasing, including,
 - (a) emergencies;
 - (b) extreme urgency or time constraints;
 - (c) economy or value in continuing prior work;
 - (d) protection of copyrights or trade-marks;
 - (e) a public and open competitive process has been undertaken but has failed to identify a viable supplier or service provider;
 - (f) absence of competition for technical or commercial reasons, with no available substitutes;
 - (g) circumstances where the nature of work is such that it would not be in the public interest to solicit bids or proposals; and
 - (h) circumstances where a government body instructs Waterfront Toronto to contract with a specific vendor following that government body's selection of that vendor in accordance with its procurement policy. A letter from the government body stating this request must be attached to the requisition.
- (4) Single source procurements above \$10,000 (Cdn.) must be approved by the CEO.
- (5) Waterfront Toronto will not pay for any hospitality, food or incidental expenses. Transportation and accommodation expenses are eligible for payment only if they are directly related to the consultant's assignment at hand, and require prior authorization by the Waterfront Toronto staff overseeing the assignment.



WATERFRONTToronto

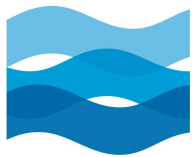
Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

SECTION 7 - NON-COMPETITIVE PROCUREMENT – CONSULTING SERVICES

Consulting Services is defined as provision of expertise or strategic advice that is presented for consideration and decision-making. Consulting Services do not include any licensed Professional Services provided by medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, chartered accountants, lawyers and notaries in their regulated capacities.

- (1) As required by the Management Board of Cabinet Procurement Directive, dated July 2009, all consulting services must be acquired through a competitive procurement process. Where the estimated value is over \$100,000, it must be publicly posted via a tendering network, such as MERX.
- (2) The competitive procurement process for Consulting Services may be waived in the following circumstances:
 - (a) Due to an unforeseen situation of urgency, the Consulting Services cannot be obtained by means of a competitive procurement process;
 - (b) Matters of a confidential or privileged nature would have to be disclosed through a competitive procurement process, thereby compromising Waterfront Toronto confidentiality or the public interest or threatening economic disruption;
 - (c) Waterfront Toronto's ability to maintain security or order or to protect human, animal or plant life or health would be compromised by a competitive procurement process;
 - (d) No bids are received in response to a competitive procurement process;
 - (e) Only one supplier is able to meet the requirements of a procurement, due to compatibility issues with existing products or the fact that the supply of certain goods and services are controlled by a statutory monopoly; and
 - (f) Where a government body instructs Waterfront Toronto to contract with a specific vendor following that government body's selection of that vendor in accordance with its procurement policy. A letter from the government body stating this request must be attached to the requisition.

In accordance with the "Signing Threshold Policy", all exceptions in Section 7(2) must be authorized by the CEO where the estimated value is less than \$100,000. Exceptions with an estimated value of \$100,000 - \$999,999 will be authorized by the Deputy Head Minister for the Province of Ontario. Exceptions with an estimated value of \$1,000,000 or more will be authorized by the Treasury Board / Management Board of Cabinet.



Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

- (3) Waterfront Toronto will not pay consultants for any hospitality, food or incidental expenses. Transportation and accommodation expenses are eligible for payment only if they are directly related to the consultant’s assignment at hand, and require prior authorization by the Waterfront Toronto staff overseeing the assignment.

SECTION 8 - LENGTH OF CONTRACTS

- (1) Except as provided in Section 8(2), contracts must be for a fixed term not to exceed twenty-four months with the possibility of two one-year extensions.
- (2) The Corporation may enter into longer-term contracts under the following circumstances:
- (a) contracts relating to major design, build or construction initiatives where the project period is known to exceed 48 months.
 - (b) Consulting and/or Professional Services that:
 - (i) are specialized in nature;
 - (ii) are the result of a management decision to outsource functions;
 - (iii) would cause disruption to the Corporation’s business activities if such services were re-procured or changed on a two-year basis including such services as program management, legal services, IT support, insurance advice, auditors, financial advisors, or urban planning advisors, subject to the Corporation being satisfied it is receiving value for money; and

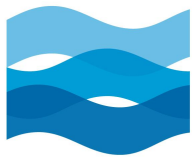
All contracts in Section 8(2) must be authorized by the CEO and cannot exceed 5 years unless approved by the Board of Directors.

SECTION 9 - EXTENSIONS / RENEWALS

If a contract permits a renewal or extension beyond the original term, the Project Manager responsible for the contract shall assess the quality of the service provided and shall submit, if satisfied, an extension for approval in accordance with the “Signing Threshold Policy”.

SECTION 10 - CHANGE ORDERS

Change orders to established contracts must be entered into the Financial System as a requisition by the Project Manager. The requisition must be completed in detail identifying the reason for the change, change value, along with the appropriate backup, and must be approved through the Financial System prior to authorizing the change; with the exception of Construction Contracts where



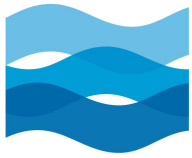
Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

change orders, still within the approved contingencies may be verbally authorized as per the Signing Threshold Policy. In doing so, the Corporation shall apply the following principles:

- (1) The change order process in contracts shall permit only changes still within the general scope of the project and/or for unforeseen issues arising out of the project, and should not be used for increases to the original scope. Any changes to the original scope should be procured through a competitive process;
- (2) Change orders shall be approved only after an assessment of the additional cost and project schedule; and
- (3) Change orders shall be approved in accordance with the “Signing Threshold Policy”. Any change order for a non-competitive contract that takes the total contract value over \$75,000 must be preceded by an uncontested ACAN.

SECTION 11 - REPORTING

- (1) Internal: On a quarterly basis, the Procurement Department shall submit comprehensive reports to the FARM Committee covering:
 - (a) any exceptions to these policies;
 - (b) all contracts awarded in excess of \$5 million.
- (2) External: Award Disclosure - To complement Waterfront Toronto’s open and transparent Procurement process, Procurement will:
 - (a) Publish the winners and prices of all Tenders with a value over \$50,000 (before HST) on Waterfront Toronto’s website.
 - (b) In the case of Request for Proposals, Waterfront Toronto’s evaluation process takes into consideration a mix of financial and technical criteria, such as a firm’s project experience, key personnel and methodology/approach. Since these technical factors are considered along with price, Waterfront Toronto’s policy is not to release the monetary values of its contracts. For all Request for Proposals over \$50,000 (before HST), Waterfront Toronto uses the following system to disclose the range of the value of its contracts on its website:



WATERFRONTToronto

Procurement: Procurement Policy	Guideline #: 1
Effective Date: January 3, 2012 (Replacing Existing Policy – October 28, 2011)	Approved by: John Campbell

<i>Contract Value</i>	<i>Contract Value Code</i>
\$50,000 – \$249,999	A
\$250,000 - \$999,999	B
\$1 Million and over	C